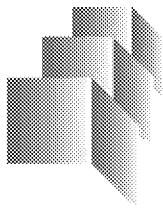


EXHIBIT 3

(Part 1 of 2)



Project Status Report
November 2015
Diamante Development
Cabo San Lucas, Mexico

Prepared for:

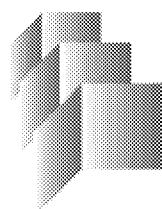
Danske Bank

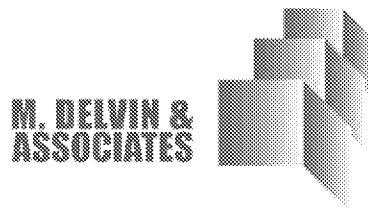
Prepared by:

M.Delvin & Associates

Burbank, California

M.Delvin & Associates Project No. 2009.01





December 13, 2015

Mr. David Daniel
Danske Bank, London Branch
75 King William Street
London EC4N7DT

Subject: November 2015 Project Status Report
Diamante, Cabo San Lucas, Mexico
M.Delvin & Associates Project No. 2009.01

Dear Mr. Daniel:

M. Delvin & Associates (MD&A) representative Michael Delvin visited the project site in Cabo San Lucas on December 7th through 9th, 2015 to meet with the development team and review the progress made during the month of November. We toured the site to observe the work completed and discussed ongoing planning of the various projects.

Construction continues to make progress in many areas throughout the site and several milestones occurred. Resort Bungalow No. 8 was completed and is now fully furnished in time for the Holiday season, and by the end of the year, No. 7 will also be completed and ready for occupancy. The Cantina Villas site work started with the demolition of the Cantina which was underway at the time of our site visit, and mass grading operations should begin within a week. The new Dunes Course short course has made great progress with rough grading complete and fine grading now underway.

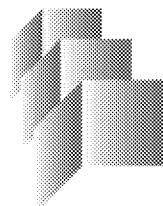
The following report provides a description of the construction observed during the period through December 9th and current planning status. We have included representative photographs which provide examples of the construction. Please don't hesitate to call if you have any questions concerning this report or other aspects of the project.

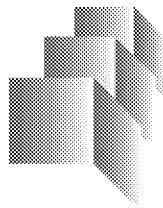
Sincerely,

M.Delvin & Associates, Inc.

Michael D. Delvin, P.E.

Cc: Peter John Hughes, Greg Carrafiello, Ken Jowdy, Taffy Jowdy, John (JD) Hughes





CURRENT STATUS REPORT

November, 2015

SITE VISIT DATE:	December 7, 8, 9, 2015
CLIENTS:	Danske Bank
PROJECT LOCATION:	Diamante Development Cabo San Lucas, Mexico
PARTICIPANTS/ REPRESENTATIVES	
Diamante, LLC	Greg Carrafiello, Jim McCullough, Taffy Jowdy, Ken Jowdy
M.Delvin & Associates	Michael D. Delvin

INTRODUCTION

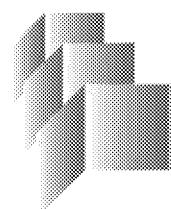
M.Delvin & Associates representative Michael Delvin visited the project site on December 7th through 9th, 2015 to meet with the development staff and review the construction which had occurred since our previous visit approximately 4-weeks earlier. The pace of construction appears to be generally steady, with the number of construction workers at the site remaining constant over the last several site visits.

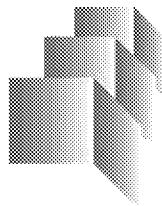
Similar to last month, construction activities have occurred throughout the site, with vertical projects underway at the Golf Villas, Sunset Hill, Casitas and Beach Estate tracts, and at the Resort. Sitework is also underway in most of these areas to complete underground utilities to support this construction.

Progress is being made on the next two significant projects of the Dunes Short Course and the Cantina Villas tract. Clearing and grubbing and underground utility removal is complete on the short course as well as rough grading. Fine grading is now underway to complete the greens, fairways, etc. prior to irrigation line installation. The Cantina Villas work started with the demolition of the Cantina and Palapa buildings which is 90% complete. Clearing and grubbing in the area of the Cantina and Sales Palapa is also relatively complete.

A significant accomplishment occurred in the Resort area as well, with the completion of Bungalow 8, and construction of Bungalow 7 being completed enough to allow guests to occupy the home over the Christmas Holidays.

I has been 1-year since the El Cardonal Golf Course opened for play, and since then, the grass has continued to improve and thicken up, and minor maintenance to improve drainage has occurred. The course is now considered to be in very good condition.



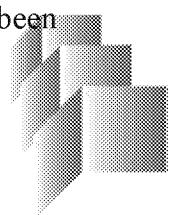


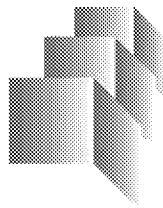
CONSTRUCTION STATUS SUMMARY

A snapshot summary of the development status as of December 9th, 2015 is briefly stated below.

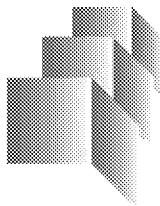
General Statement: The development on 1,500 acres began approximately 10-years ago and accomplishments include: 2-championship golf courses with clubhouse complexes are complete and operational, one Resort Club including 10-acre Crystal Lagoon, fitness center and Spa with lap pool complete; 36-Homes have been completed by Diamante Cabo San Lucas, 10 of which are time share products and 6-additional homes have been completed by private home owners, 10-condominium units are complete, 60 time share units in 5-product types are complete, and infrastructure to support all of this is complete. Further details of this include:

- Dunes Golf Course: Complete and operational, including the Clubhouse which is also part of the DRC, the Slider Bar, Training Facility with driving range, and 2-full service comfort stations. The course is currently ranked No. 38 in the World by Golf Magazine. The original Golf Holes 12 and 13 are no longer being used and earthmoving operations are now underway at these locations for the new Dunes Short Course project. Work on the re-configured location for the existing Golf Hole 10 green and T-boxes is complete and it was opened for play in October. Work for the new Hole No. 10 has not begun.
- Golf Villas Homes: 22-homes are complete and 8 are under construction: Golf Villas Residence Club homes 6, 7 and 8 are complete and occupied; whole ownership Golf Villas 5, 12 (Closing 12/2015), 16, 17, 18, 19, 20, 23, 25, 31 (Closing 2017) and 32 are complete and sold and are in the lease-back or Bailment program; Golf Villas 13, 22, 24, 29, 30, 33 and 34 are complete and have closed for private use; Golf Villas 14 (which is **Redacted** home) is complete and occupied but additional exterior work adjacent to the training facility is planned; Golf Villas 3, 4, 15, 21, 26, 27, 28 and 47 are under construction.
- Sunset Hill Homes: 3-homes are complete and 3 homes are under construction: Home on Lot 26 complete and occupied; home on 23 has shell structure complete and construction resumed over the past month; home on 30 is complete and occupied; home on 55, (Ken Jowdy's home) complete and waiting for final furniture delivery. Lot 59 and 73 are being constructed by private owners using outside contractors and have main concrete and CMU wall structure complete and finish construction is underway. Utilities and gravel roads to service these homes are complete, except for Lot 59 and 73 where minor power and communication utility line extensions are needed and minor road construction is needed at 73.
- Beach Estate: 6-homes are complete and 3-homes are under construction: Homes are complete and residents live in their homes on Lots 33 (which is also for sale), 35, 38 and 45; private home on sold lot 37 is under construction; Resort Club home at Lots No. 4 and 27 are complete and fully occupied and structure construction on Lot 43 is underway; foundation work on the private home on Lot 12 is underway; utility infrastructure for the entire tract is relatively complete and gabion construction for Arroyo protection has been suspended and will resume in 2016.





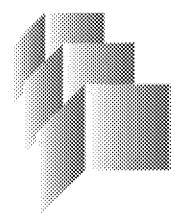
- Casitas: 7-homes are relatively complete and 4-homes are under construction: Earthwork is relatively complete on the first phase (Lots 1 through 24) of the project and utility construction is relatively complete on the lower sections of homes at lots 1 through 7 and is underway on the upper section. 4-homes are under construction and include Lots 18, 20, 21, and 22. Lot 8 foundation work started but work was suspended 4-months ago and should resume in 2016: Lots 1 through 7 are complete and homeowners have occupied 3 of these.
- DRC: Complete and operational, including 2nd floor time share units, 3rd floor condominium units, sports bar, restaurant, sales center, pro shop, cart barn, pool and bar area and development offices. Four of the 10 condominium units (307/308, 309/310, 313/314, and 315/316) are sold and 307/308 has closed, and others are ready to be closed.
- Cantina Villas Site: The demolition of the former Cantina is nearly complete and the Sales Palapa exterior walls have been removed and demolition on it will be completed within a week. Clearing and grubbing operations began for the new Cantina Villas site and mass grading operations should start in 1-week, to rough out the 11-building pads and in-tract roads for this development tract.
- Desalination plant including the beach wells is complete and fully operational and currently is only needed at roughly 1/2 capacity to create water for potable use only.
- The maintenance complex which houses golf maintenance facilities is complete and operational and is being used to service both golf courses.
- The central receiving center which is part of the maintenance complex building is fully operational and is full of day-to-day operational goods such as food and supplies and some furniture. This area includes fuel storage enclosures and a trash compactor enclosure adjacent to the Desalination plant which are fully operational. A new Human Resources Office was installed in this area over the past month and this adds to the maintenance complex village which includes offices for security, and other administrative functions.
- The Main Welcoming Center and Guardhouse at the main entry along the west property border, and the service entrance guardhouse near the southwest property border are complete and operational and are manned by a guard staff on a continuous basis. A new Construction Service entrance guard shack is in place on the north border of the property but has not yet been put into service as a new service road must be constructed within the property. Fence construction has been completed along the north and east perimeter of the entire development.
- Diamante continues to operate the Cangrejos off-site waste water treatment plant, where an on-site lift station at Diamante sends black-water (untreated sewage) to the plant, and gray water is received from the plant into the Dunes Course irrigation lake and it is shared with the El Cardonal irrigation lake by a pump and line connection. Eventually, the Cangrejos plant will be working in conjunction with the Mesa Colorado plant which is under renovation for the next 5-months. The Cangrejos plant is currently producing gray water at nearly full capacity and providing over 1-million gallons of water to the site per day on average. This will more than double with the Mesa Colorado Plant.

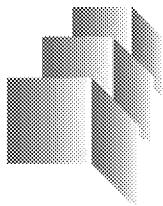


- Paved roads include the main backbone road, Diamante Blvd., sections of the roads within the Golf Villas tract, the road leading from Diamante Blvd. into the Resort reception area, the road leading into the DRC from Diamante Blvd, and a section of concrete road in front of the new El Cardonal Clubhouse. A wide concrete cart path which is designed for the capacity for emergency fire engine traffic also connects the Resort Reception area and the Resort Tower 2 and low rise buildings between the tower and reception area.
- Gravel surfaced cart paths for service cart and pedestrian cart traffic have been constructed to link the various venues, including a path between the DRC and Central Receiving; The Resort Tower, Spa and Health Club to the El Cardonal Golf Course; and paths connecting these areas to the Golf Villas and Beach Estate Tracts. The dirt and gravel paths are bordered with natural stone and wood posts and landscaped with native vegetation.
- Un-improved dirt roads or dirt roads improved with a liquid asphalt sealer are being utilized in the home tracts, construction and service roads, and the road leading to the El Cardonal Clubhouse.
- In-tract roads for the lower 2-rows of the Ocean View Estate lots have been cleared and rough graded and lot boundary markings have been placed to allow viewing of the lots to support the sales operations. 6-lots were partially cleared of small vegetation and chalk-lines were placed to mark home site locations.
- The building pad for the first San Marcos Condominium (Building F) had been cleared and marked for position with chalk to provide a visual indication of the building location for marketing efforts, but weeds have overgrown the pads and this project is now on hold.

Resort: This area contains the highest density of time share built products and is the area where the greatest number of units will be constructed over the next couple of years. 45-time share units of various products are now complete and available for occupancy:

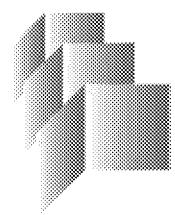
- Lagoon: complete and fully operational and used daily; Two beaches are now fully operational and completed with furniture. The newest Beach No. 2 (Beach H) was completed in September with a Trex-deck boardwalk, and the Lagoon service dock was relocated to this area from the first beach.
- Bungalows 1 through 4 are complete and being occupied continuously and construction is underway on Bungalows 7 and 8, located just southeast of Resort Tower 2.
- Residential units 6U1, 2U1, 2U2, 2U3, 2U4 and 2U5 are complete and being utilized continuously.
- The Resort Tower No.2 is complete with 8-residential units including 2-penthouse units and all are available for occupancy. The temporary Spa facility occupies the ground floor and is being used continuously.
- The Resort Residential 3-story 1A section consisting of 16-units was completed and furnished in September and the first occupants were placed on October 3rd.

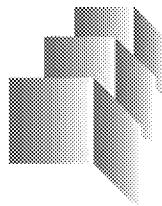




Status Report, November 2015
Diamante Development, Cabo San Lucas, MX
M. Delvin & Associates Project No. 2009.01

- The Resort 3-Story 1B low-rise consisting of 18 units has the building pad completed and foundation construction has started and the foundation should be completed by the end of the year.
- Lagoon Pool and Bar with complete service kitchen is complete and operational and an employee lounge, with bathroom and locker area is complete adjacent to this facility.
- Lagoon Sales Center complete and fully operational.
- Fitness Center complete and operational except for the building section which will be used for the future Yoga room where finishes have not been completed;
- Spa shell structure partially complete and construction suspended. An infirmary area is housed at the southeast corner of the main Spa building. The temporary Spa facility constructed on the ground floor of the Tower is complete and furnished and opened in early May, 2015 and is being utilized on a steady basis.
- **El Cardonal Golf Course:** The golf course was completed and opened in December, 2014 as the First Tiger Woods designed Golf Course, and has been fully operational since that time.
 - The El Cardonal clubhouse and Nike sales center, Tacos bar and Simulation training facility are all complete and operational. The east and west wings of the second floor of the Clubhouse and first floor of the east wing are completed to building shell only with temporary enclosures on all exterior openings which have been painted to match the building finishes.
 - Two temporary comfort stations are provided on the golf course, one adjacent to Hole 5, and the other adjacent to Hole 15. These stations consist of temporary portable toilets enclosed with fabric privacy fencing, and a temporary bar structure utilizing portable ice-chest coolers for beverages and covered with a pop-up shade structure.
 - The driving range/training facility is complete and fully operational and the grass has grown in very well.





CONSTRUCTION STATUS DETAILS

Construction during November continued in much the same fashion as the previous month with one Resort Bungalow Home completed and a new project starting at the Cantina Villas site. Construction is now underway on 15 homes by Diamante Development and 4-additonal homes are under construction by private home builders:

PRIMARY DEVELOPMENT

The majority of the construction efforts are within primary development this past month where vertical construction is underway on 8-Golf Villas Homes, a Sunset Villas Home and 4-Casitas Homes.

Dunes Golf Course: The reconfigured Golf Hole No. 10 was placed into service at the end of October and is growing in nicely. The old green which was part of the earlier alignment is being maintained in a playable condition and this will be used to sod the new Hole 10, once it is constructed. Work on the new Hole 10 has not begun. The old Golf Holes 12 and 13 which were previously placed along the Dunes Course Irrigation Lake have been completely removed, including much of the underground irrigation lines and all grass and vegetation. The backbone irrigation lines were left in place to service the future Dunes Short Course.

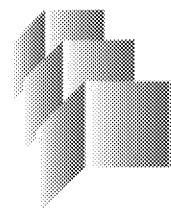
Dunes Short Course:

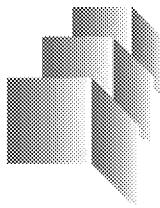
The work on this project made significant progress in November.

- All vegetation related to the old Golf Holes 12 and 13 has been removed.
- Mass grading operations are completed.
- Fine shaping operations are now underway. This task includes making final shaping of the fairways, bunkers and greens complex. Roughly 1/3 of the holes have been fine shaped with greens areas roughed-in.
- All of the underground irrigation feeder lines have been removed and salvaged where possible. The irrigation main lines and valves were left in place as backbone irrigation for the new short course.

Dunes Residence Club and Golf Clubhouse: The steel frame for the new canopy cover at the HVAC chiller units has been constructed at the service entrance and sheet metal ducts are now being installed on the underside of the frame. Eventually, a roof structure will be placed over the top of the frame and ducts.

Diamante Boulevard and Cart Paths: No additional work was done on Diamante Blvd. during the month of October and the work on the new cart paths is relatively complete for the time being.





New North-Border Construction Entrance: No new work was done on this over the past month. The chain link security fence which joins the new construction entrance on the north border has been completed to the west property boundary and main gate area. The fence east of this border crossing has been completed for several years, and the east fence extends past Sunset Hill to the main Dunes at the south end of the property. New construction staking has been placed along the alignment for the new construction road and clearing and grubbing operations are expected to begin at the alignment within a month.

Off-Site Power Lines: The work to upgrade power to the site continues but has not yet been completed. A fee has been paid to the electrical service provider and a subcontractor is now completing the work. The power-pole installation has been completed through the off-site Cangrejos neighborhood from the new Diamante Guard House entry location to the off-site electrical sub-station located along the main State Highway 19. The cable installation began in September but has not yet been completed.

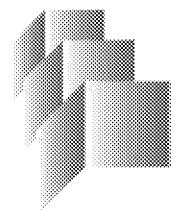
Cangrejos Waste Water Treatment Plant: The production of gray water is generally at full capacity and is being pumped to the site at an average of over 1-million gallons per day. The Mesa Colorado plant which will be operating in unison with the Cangrejos plant has started renovation and once this is completed, additional gray water will be available.

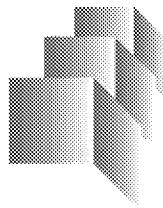
Potable Water Treatment Plant and Well Heads: The desalination water treatment plant is operating properly, and operating at roughly 1/2 capacity and is being used mainly to supply the domestic water needs.

Central Receiving Center: The central receiving center is functioning as intended with items being received and tracked as they arrive on site and disbursed to the intended locations. No modifications were made to the central receiving facility over the past month, however, a new construction trailer was moved to the complex to house the Human Resources office.

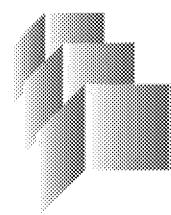
Golf Villas Homes Tract: 8-projects now under construction and one of these may be completed around the end of the year although furniture will not be delivered until late January.

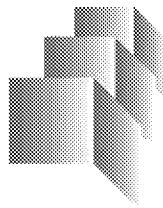
- **Utility construction** has been completed for the homes now under construction.
- **Golf Villas 3:** Construction started on this home in September and structure construction is now underway:
 - The foundations and slab on grade have been completed.
 - CMU wall construction is complete on the ground floor.
 - The roof structure construction has made good progress and is over 25% completed. Scaffolding and forms are being placed to construct the remaining roof sections.
 - In-wall utility rough-in is being placed within walls as needed during wall construction.





- **Golf Villas 4:** This home started construction in April and has made good progress and is in the finish construction stage and is on track for being completed around the end of the year.
 - Exterior finishes, including roof tiles and exterior stone coverings have been completed.
 - The pool construction is complete and the pool is filled with water.
 - The outdoor Palapa area with grill and wet bar is under construction and nearly complete.
 - Interior stone finishes are complete on walls and floors.
 - Interior primer paint coating is complete.
 - Carpentry construction is underway, including cabinets, doors and frames, shelving and wood trim.
 - Appliances are stocked within the garage and ready for installation, once cabinets have been installed.
- **Golf Villas 15:** Construction resumed on this project in August and the home has made good progress in November with finish construction underway:
 - The large stone sections are being applied to the exterior walls. Exterior paint coating has been completed.
 - The water proofing membrane has been applied but roof tile installation has not begun.
 - Interior plaster coating is complete and primer paint coating is being applied.
 - Stone tile floor finishes are being installed.
- **Golf Villas 21:** This home started construction in May and finish construction is now underway and this home is in similar condition but slightly ahead of GV 15:
 - Exterior cement plaster coat application is complete and stone trim and wall sections are being applied.
 - The pool has been laid out but construction has not begun.
 - Interior plaster coating is complete and primer paint coating has been applied.
 - Stone tile floor finishes have been placed in most areas.
 - Light gage metal framing and gypsum board installation is underway.
 - Carpentry construction is underway.
- **Golf Villas 26:** This home started construction in June and the construction slightly behind GV 15 and 21 but building structure is relatively complete.
 - Exterior cement plaster coat application is complete and stone trim and wall sections are being applied.
 - The pool has been laid out but construction has not begun.
 - Interior plaster coating is underway.
 - Stone tile floor finishes have been placed in most areas.
 - Light gage metal framing and gypsum board installation is underway.
 - Carpentry construction is underway.

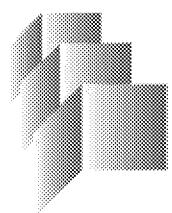


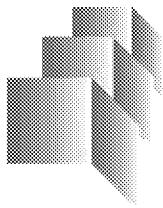


- **Golf Villas 27:** This home started construction in March, 2015 and appears to be on track for being completed in January, 2016:
 - Exterior finishes, including roof tiles and exterior stone coverings and wood trellis beams have been completed.
 - The patterned concrete driveway has been cast but none of the pool-deck concrete has been cast.
 - The pool structure construction is underway but construction of the second floor spa has not started.
 - Window installation is complete.
 - Exterior condensers for the HVAC system have been set into position.
 - Interior stone finishes are complete on walls and floors.
 - Carpentry construction is relatively complete, including cabinets, doors and frames, shelving and wood trim.
 - Granite countertops have been installed and appliances have been installed.
 - Bathroom fixtures, sinks and toilets, and shower glass are installed.
- **Golf Villas 28:** This construction began in October and the foundation and concrete slab on grade are complete.
 - The CMU wall construction is now underway on the ground floor and forms are being placed for column and beam sections of the walls.
 - Electrical conduits and plumbing lines are being placed within walls as they are being constructed.
 - Forms are being placed for the main second-floor support beam and reinforcing steel for this beam is being placed.
- **Golf Villas 47:** Construction on this home started in August. This is the first home to be built in the section of Golf Villas Tract which will border the future Dunes Short course:
 - The concrete foundation and slab on grade are complete.
 - CMU wall construction is complete on the ground floor walls.
 - Roof structure construction is relatively complete.
 - Cement plaster coating is being applied to the exterior walls.
 - Waterproofing is being applied to the exterior walls in preparation of placing stone finishes.

Sunset Hill Tract: The work at this tract over the past month generally involved 3-homes and some infrastructure work was done:

- **Backbone Utility** construction is underway to provide dry utility service to the homes on Lot 59 and 73 which are now under construction. No additional utility work was done and Water must be extended to Lot 73 from the nearby road and some minor road improvements will also be made to provide vehicular access to GV 73.
- **Lot 23** resumed construction over the past month. This work is being done by the Diamante Development construction team and funded by a private financing source.

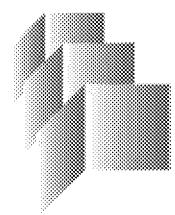


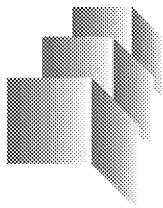


- Work activities involved cleaning up the structure to prepare it for finish construction. The exterior site has also been cleaned of overgrowth to allow exterior construction to proceed.
- Minor modifications to the building structure are being made to accommodate minor design changes.
- **Lot 55**, which is Mr. Jowdy's home, is relatively complete, including the exterior site work. The home is now waiting on final furniture delivery before it is ready for occupancy.
- **Lot 59** is a private home being constructed by an outside contractor and began construction in February and the home continues to make good progress with building structure complete and exterior plaster coat application relatively complete.
- **Lot 73** is a private home being constructed by an outside contractor and started construction in March and the home is in the general same condition but slightly ahead of Lot 59. The structure is complete and exterior cement plaster coat application is relatively complete. The roof tile has been installed and installation of interior finishes is underway.

Las Casitas Tract: Seven homes in this tract are complete and three of these have been occupied and 4 are under construction along with site work:

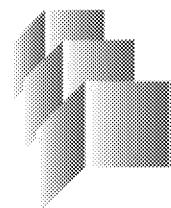
- **Sitework** over the past month involved cleaning up the site in the area homes are now being occupied and providing roads to these homes and installing utilities in other areas:
 - The home alignment of the Phase 1 portion of the Casitas Tract has been modified slightly and work was underway to construct the new building pad location for Lot 14.
 - The work on the earthen berm along Diamante Blvd., adjacent to Casitas 7 and 8 continued this month and this will be landscaped to provide a visual and sound buffer for this area.
 - Underground utility construction for water, sewer and power were underway for servicing the upper tier of the Phase 1 Casitas site. The sewer line main line construction is relatively complete and work is now underway to install the water lines and the service laterals for the sewer lines to each home.
 - Installation of conduits for power and fiber optic lines is also underway.
- **Casitas No. 1 through 7** are in similar condition:
 - The homes are complete and the punch-list work is complete.
 - Furniture has been installed in all homes, although, some of the homes may be missing some pieces.
 - Homeowners started occupying Casitas 2, 5 and 7 in October.
- **Casitas Home 8** started in June with foundation excavation and cistern installation, but no further work was done since that time. We understand work should resume in 2016.
- **Casitas Home 18** is the most recent home to start construction and it started construction in October:
 - The foundations and concrete slab on grade are complete.

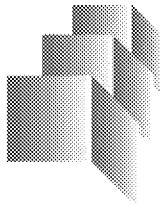




- CMU wall construction is underway and estimated to be over 50% complete.
- **Casitas Home 20** started construction in June and the home is nearing completion. This home should be the next one to be completed which should be by the end of the year.
 - The building exterior is relatively complete. This includes finishes, stonework, paint, roof tile and windows and doors.
 - The exterior site is nearly complete, including the patio and spa and stone fire pit. The front driveway patterned concrete has been laid out but not yet cast as underground utility construction is still underway.
 - Interior finishes are relatively complete, including floor and wall tile and painting.
 - Carpentry construction is nearly complete, including cabinets, closet shelving, doors and trim.
 - Some kitchen appliances have been installed but kitchen granite has not.
 - Bathroom fixtures, sinks, and shower glass have been installed.
 - Much of the furniture has been delivered.
- **Casitas Home 21** started construction in June and this home is in almost identical condition but slightly behind Casitas 20 and should also be completed by the end of the year.
 - The building exterior is relatively complete. This include finishes, stonework, paint, roof tile and windows and doors.
 - The exterior site is nearly complete, including the patio and spa area and stone fire pit. The pool is complete and filled with water.
 - Interior finishes are relatively complete, including floor and wall tile and painting.
 - Carpentry construction is underway, including bathroom vanity cabinets, closet shelving, and doors and trim.
 - Appliances and granite countertops have been installed.
 - Bathroom fixtures, sinks, and shower glass and countertops have been installed.
- **Casitas Home 22** started construction in June and is the least complete of the upper tier of homes (except for 18) but is only slightly behind the other two.
 - The building exterior is nearly complete, including paint, stone finishes, roof tiles and windows and wood trellis beams.
 - The pool and spa shell has been completed and stone tile has been installed and the pebble-tech finishes have been completed.
 - Patio slab and stone finishes are not complete in all areas.
 - Interior finishes are nearly complete including floor and wall tile and paint finishes.
 - Carpentry construction including cabinets, doors and trim and shelving is underway.
 - This home will not be completed until 2016.

Ocean View Estate Lot Tract did not change status over the past month. The information below is a recap of the status condition reported last month:



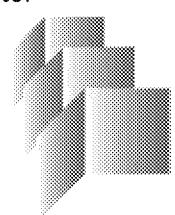


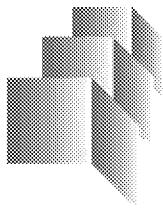
- The main road leading from the El Cardonal Clubhouse access road into the tract is cleared of native vegetation and rough graded up to the first two tiers of home sites.
- The roads along the first two tiers within the tract are cleared and rough graded and PVC pipe corner markers are in place for lot markers.
- Lots No. 29, 31, 33 on the second tier of homes, and 5, 7 and 9 on the first tier have been improved by clearing small underbrush to expose the larger cacti and shrubs, and the potential building limits are marked with chalk.
- An observation platform has been constructed on Lot 33 to aid in marketing by representing the elevation of the second floor deck.

San Marcos Condominiums: The building site did not change over the last month. The first building pad for the San Marcos Condominium development which is for “Building F” was cleared in December, 2014 and marked with chalk lines for boundaries to show the corners of the building, however, the chalk line markings have faded and the site is now overgrown with weed growth due to inactivity. Bids have been received for site work as well as vertical construction but this project is currently on hold.

Beach Estate Tract: There are now 3-private home owners living in their homes and 2-Beach Estate Resident Club Homes are complete and occupied. A 4th private home was completed as a spec home and is on the market for sale.

- **Infrastructure** construction resumed with work on the underground connections at the newest home under construction at Lot 12.
- **Lot 12** is a private home being constructed by a lot owner using an outside contractor and started construction in September with the building pad construction. Excavation is complete for foundation construction and the contractor was placing final steel and under-slab utilities for the casting of the concrete foundations and slab which was scheduled for the following day.
- **Lot 33** home is a private home constructed by; *Acero Constructiones*; and funded by the lot owner with the intention of constructing it as a spec home. The home which was completed in December 2014 is on the market for sale.
- **Lot 35, 38, 45:** These homes are complete and occupied.
- **Lot 37:** This private home being constructed by an outside contractor has actually not made progress over the past month. The building structure is complete and the exterior plaster coating and primer paint coating has been applied and it has been in this same condition for a couple of months. The development staff has discussed this lack of progress with the owner and construction is scheduled to resume within the next month.
- **Lot 43:** Vertical construction started on this Resort Residence Club home in September and progress is being made on structure construction:
 - The foundations and slab on grade have been completed.
 - Ground floor CMU walls are being constructed and are roughly 50% complete.
 - In-wall rough-in utility lines are being installed within the walls as wall construction proceeds.





Beach Estates Hotel: No further work was done on this site over the past month. No additional sand removal will occur until the final plans of the Hotel have been developed and the elevations have been identified.

Gabion structures construction for the arroyo protection has been suspended. Since the “Hurricane” season is ending for the year, this work will now be suspended until 2016. Eventually, this work will be needed to protect the border of Beach Estate Lot 12 which is now under construction.

THE RESORT

The two Bungalow homes which are under construction made good progress and the next multi-unit section of 3-story building, 1B; started construction in October:

Sitework: The sitework this month involved extending utilities to Bungalow 7 and 8 and construction of the cart path leading to Bungalow 7 and 8.

- The section of concrete cart paths immediately in front of the main entries to the bungalows has been cast.
- The cart path extending from Tower 2 and the Sales Center to Bungalows 7 and 8 has been completed with crushed stone but has not been paved. Further work to complete this section of the Lagoon will be needed, therefore, this was left as a gravel-surfaced cart path.

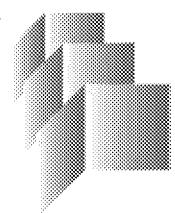
The Fitness Center has not changed over the past couple of months and the future smoothie bar location remains closed off with a temporary partition. This area will eventually be built out as a Yoga exercise room.

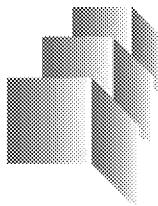
The work on the **Spa Building** exterior is complete for the immediate future. Plywood enclosures were placed over window and door openings and painted to match the existing stucco paint. The site around the Spa Building was also cleared of vegetation and weeds to give the Spa a more finished look.

The **Resort Sales Center** is fully operational and no changes were made to this in November.

The Lagoon: The Lagoon is fully functional and being maintained very well.

- Further improvements were made on the Lagoon pump room to create an air conditioned office area within the pump room to protect the electronic and sensitive equipment in this area.
- Additional work was done around the top of the pump building to create storage and service areas for the maintenance staff.





The **Low-Rise Residential 1B** building pad was completed in June and work is now underway to complete a portion of the foundations by the end of the year.

- The 3-utility tunnels which will be under the next section of the Phase 1B slab have been cast and are being waterproofed, prior to backfilling.
- Foundations have been excavated for 2/3 of the foundation area and it is being prepared for casting:
 - Underground utilities have been placed.
 - Vapor barrier have been placed.
 - Reinforcing steel is being placed for this first section of slab construction.
- The foundations for the remaining 1/3 of the building will be constructed once the utility tunnel construction has been completed.

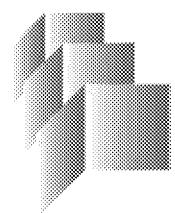
Bungalow 7 started construction in August and the building is making good progress with exterior finishes completed. The progress is such that the home appears to be on track for being completed by Christmas week:

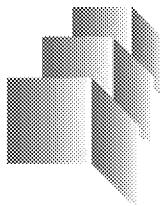
- The building exterior finishes are relatively complete and are in the punch-repair mode.
- The exterior patio, Jacuzzi, bar and fire pit are complete and operational. The dock has been constructed within the Lagoon next to the home and it will soon be moved into position and anchored.
- Interior stone floor and wall tile construction is complete.
- Interior painting is underway. The primer paint coat is complete and the final paint coat application has started.
- Carpentry construction is complete, including cabinets and shelving and doors and trim.
- Granite countertops and vanity tops are being installed.
- Appliances and bathroom fixtures, toilets and shower glass have been installed.

Bungalow 8 construction started in August and this home is now complete:

- The construction was completed in time for the Thanksgiving weekend, however, furniture and furnishings were not complete and the home has not yet been put into service.
- Final punch work is underway to complete minor touch-up items.
- Final furniture delivery is underway and this home was scheduled for the first occupancy on the weekend of 12/12/2015.

El Cardonal Golf Course: The golf course opened in December, 2014 and is now fully functional. The course continues to grow in with grass getting thicker and more mature and only maintenance type work was done in November.





SCHEDULE AND GENERAL DISCUSSIONS

Construction continues a consistent pace and the number of construction workers on site during the month of November was generally consistent with the previous month and estimated to be just over 300. The next of the new 2015 construction projects completed in November was Resort Bungalow 8, and within the next few weeks to couple of months, we expect to see homes completed in the Golf Villas, Casitas and Resort areas in preparation for the high season.

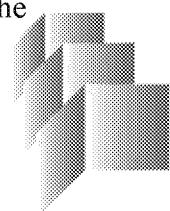
Dunes Golf Course Construction: Once fine grading is complete at the short course, the plans are to transfer earthmoving operations to the Dunes Course where the new Golf Hole 10 will be rough graded. This work is being done by Diamante staff using leased equipment.

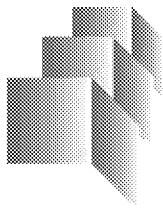
Dunes Short Course: This project made excellent progress over the past month, with mass grading complete and fine grading operations over 25% completed. Once fine grading is completed, the work force will be moved to the Dunes Course for new Hole 10 construction. Placing irrigation lines within the short course is expected to start just after the first of the year. The backbone lines are in place from the previous Golf Hole 12 and 13 layout. Once distribution lines, timers and heads have been placed, grassing should occur in the spring, 2016 utilizing a new type grass which is currently not used at Diamante.

Water Production: The water situation at Diamante has not changed over the past month. Construction on the new cistern is not expected to begin until 2016. The new cistern will be constructed adjacent to the current cistern location and will more than double the size of the water storage capacity to roughly 400,000 gallons, from the current 150,000 gallons. There are plans to purchase several smaller 10,000 gallon tanks for water storage as an interim measure until the concrete-structured cistern construction proceeds but this has not yet happened. Generally, the cistern is kept full on a daily basis from water being pumped from the Desalination plant and provides roughly 1-weeks storage capacity for the development.

Waste Water- Gray Water: The gray water production continues at nearly full production from the Cangrejos Plant and the irrigation lake at Dunes Course is being maintained at a consistent mid-height level. The El Cardonal Golf Course Irrigation Lake continues to be maintained at full capacity. The renovation work of the Mesa Colorado plant started as planned in September and is being funded by monthly contributions from Diamante. The renovation of the Mesa Colorado plant is expected to continue for 4-5 months with current forecasted completion date of March, 2016. Once completed, the amount of gray water being produced from the two plants will be over 2,000,000 million gallons per day.

Dunes Residences Club and Golf Clubhouse: Construction of a trellis structure over the top of the chillers located at the DRC service entrance began in October and continued in November with sheet-metal work for the duct extensions. The new duct system will be connected to the current exhaust duct during a period when the kitchen exhaust fan can be shut down.





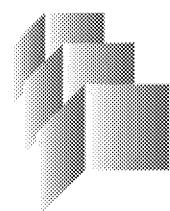
Sunset Hill: The two homes which are under construction on lots 59 and 73 by private owners using their own contractors are making progress but will not be completed this year. Installation of dry utilities to service these two homes is now underway. The sewer and water underground utilities which are currently in place will be able to service these homes.

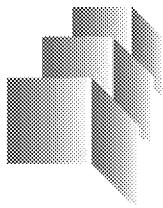
Beach Estates Lots: Construction resumed on Beach Estate 43 in September and this home should be completed in the second quarter, 2016. The next private home located on Beach Estate 12 started construction in September. This is the first home to be built along the Arroyo on the lower tier of lots. The Gabion Arroyo protection project will need to be continued to protect this home site from future flooding possibilities from severe weather and resultant Arroyo water flow. Since the Hurricane season has passed, there is currently a very low risk of a significant Arroyo water flow occurring until the summer, 2016.

Las Casitas: The next 2 casitas homes appear to be on track for being completed by the end of the year, bringing the total completed this year to 9-homes.

- The permitting documents needed to close the homes are very close to being finalized.
 - Some of the units are being occupied prior to closing with proper liability release documents and punch-list review documents.
 - The Letter of Instructions and Power of Attorney are items which will be needed to complete the closings and these are in process.
 - The first closings could possibly occur before the end of the year, however, they will most likely close after the first of the year.
- Work at the Casitas tract infrastructure during November is intended to prepare utilities and infrastructure for the homes currently under construction in the upper tier of Phase 1 and allow home-owner move-in.
 - The underground utility construction to support Casitas Homes 18 through 22 is expected to be completed by late December, and the road leading to these homes should be completed to base.
 - The next move-ins for homes at Casitas 20 and 21 are expected to occur at the end of the year but depends on the delivery of furniture.
 - Casitas 8 is expected to resume construction by January, 2016 or sooner, depending on homeowner deposits.
- The Las Casitas site plan has been modified to create a more linear-type row of homes, and provide slightly larger building pads in some areas and preserve views. The new layout has 3-fewer lots than the old layout but the lots are now uniform. We have enclosed the original site plan followed by the new site plan as enclosures to this report.

The Ocean View Estates: No significant work is planned for the Ocean View Estates over the next few months. The roads which were previously roughed-in, and which have overgrown with weeds, will be cleared over the next month in preparation of high-season and sales tours.





San Marcos Condominiums: The construction of these units remains on hold. Drawings have been completed and bids have been received for site work as well as vertical construction. Once the hold is lifted on construction, this construction could begin based on plans being completed and contractor bids completed.

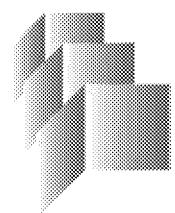
Cantina Villas: Work on this site began in November with the demolition of the Cantina and Palapa buildings and mass grading is expected to start within weeks. The materials being demolished from these buildings is being salvaged for use on the new Beach Bar and the Cantina Bar which will be located at the termination point of the Dunes Course. The earthwork contract should be signed within days with URCANSA, the grading contractor who has performed a lot of the earthwork and infrastructure work at Diamante. The first few building pads should be rough-graded around the end of the year to aid in sales activities. A new layout for the Cantina Villas has been produced which results in 11-lots. The previous layout had 12 lots. The new site plan provides better access to lots and makes some lots larger, and the price of the lots will be adjusted to reflect the reduced number of lots. The original site plan followed by the new site plan are provided as enclosures to this report.

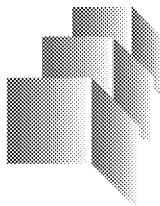
Commercial Hotel Site (Bellagio, MGM): There has been no update to this project over the past month. The environmental permit (SEMARNAT) has been received for this tract, therefore, if needed, a construction license (permit) could be pulled at any time.

The KTRC (Hard Rock, Nobu) Hotel site work has not started, however planning operations continue and a portion of the site has been staked with general layout. The environmental permit has now been issued and a construction permit could be pulled to start sitework at any time. The construction road which extends from the new entry gate to the Hard Rock Hotel site has not yet been constructed, however, it was laid out over the past month, and construction on this could begin with clearing and grubbing operations before the end of the year. Earthmoving operations on the Hard Rock site are expected to begin shortly after the first of the year, 2016.

The **Beach Residence Club Hotel** planning made some progress over the past month with slight modifications to the site plans being developed. These are currently being reviewed and there are no current plans to start this work within the next few months although discussions between the development group and the sales group are on-going.

Geothermal Investigation: The study by The Enal Group (Grupo ENAL; enal.com.mx) to analyze the potential geothermal energy source from the hot water well along the beach culminated with an interim report discussing the potential heat source and further study needed. Once this report has been reviewed, additional investigations can be authorized. The next round of investigations should conclude with a recommendation on the feasibility for energy harvesting of this geothermal source.





THE RESORT

Bungalow 7 and 8 are complete for the upcoming Holiday Season, and the next milestone in the construction sequence will be the completion of the next Low Rise Residential Building 1B foundations by the end of the year. The golf course continues to grow in every month and the overall condition of the course continues to improve and shown in the accompanying photographs.

The Spa building exterior finish construction is complete for the time being and no further improvements are planned for the immediate future.

Resort Residential

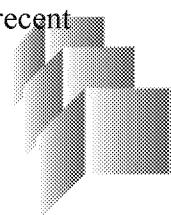
- The **Residential 1B** building foundation project began at the end of May with the start of the building pad construction. Work resumed in October with laying out of foundations and excavation for the 3-utility tunnels which will be constructed between unit sections. The work to construct the building foundation should continue through the end of the year with the goal of having the foundations completed by the end of the year.
- The next **Low Rise Residential Building, 1C** will not start until 2016. The 1B and 1C additional buildings provide an additional 18 units and 16 units respectively and the current plan is to have them completed in 2016 and 2017 respectively.
- **Bungalows 7 & 8** will both be placed into service by the end of the year. Bungalow 8 is complete and furnished and was to have the first occupancies on 12/12/2015. Bungalow 7 should have the first occupancies on 12/26/2015.

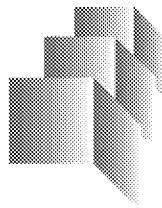
El Cardonal Golf Course

The **Tiger Woods El Cardonal Course** was completed and the course was playable by the opening date of December 16th. The course has been making steady progress toward grow-in since last year with grass thickening and becoming well established and most areas are in the desired finished condition. A few more problem drainage areas continue to be a focus of maintenance efforts. No further work is planned on the **Clubhouse or Comfort Stations** over the next few months. The development team is studying the situation of the temporary comfort stations but no plans as to new construction have been provided to us.

LOAN AGREEMENT MILESTONES REVIEW

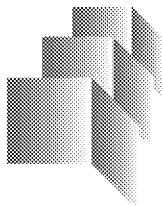
The information provided in the tables below compare the construction milestones as defined in the Loan Agreements and Modification Agreements to the construction progress as observed in November. We have provided the actual dates for start and completion based on our observations, and the completions of vertical projects are based on completion to allow occupancy as observed. The start and completion date requirements are based on the most recent modifications received from Danske Bank on 6/01/2015.





Milestones for Construction Events – First Amendment and Loan Modification

Construction Milestone	Commence Date Milestone	Actual Commence	Completion Date Milestone	Actual Completion
Vertical Construction				
Bungalow #7	7/1/2015	7/1/2015	3/1/2016	
Bungalow #8	6/1/2015	6/1/2015	2/1/2016	12/12/2015
Resort Towers Tower #2 – 9 Units	1/01/2015	1/01/2015	6/1/2015	6/1/2105
Low Rise Phase I – 16 Units (1A)	1/01/2015	1/01/2015	10/1/2015	10/01/2015
Low Rise Phase II – 18 Units (1B)	9/01/2015	6/1/2015	12/31/2016	
Golf Villas #9	1/01/2016		11/01/2016	
Beach Estate #43	6/01/2015	6/1/2015	6/1/2016	
Infrastructure Construction				
Overall Infrastructure				
Site Improvements – Diamante Blvd	1/01/2015	1/01/2015	12/30/2015	Ongoing
Off-site Electrical Transmission line	4/01/2015	4/01/2015	8/1/2015	Not complete
Desalination Plant	1/01/2015	1/01/2015	12/31/2015	Ongoing
Sewer Treatment Plant	1/01/2015	4/1/2015	12/31/2015	Ongoing
Golf Villas Infrastructure				
Roads	10/1/2015	1/01/2015	12/31/2015	Ongoing
Water	1/01/2015	1/01/2015	12/31/2015	Ongoing
Electrical	1/01/2015	1/01/2015	12/31/2015	Ongoing
Telecom	1/01/2015	1/01/2015	12/31/2015	Ongoing
Beach Estates Infrastructure				
Roads	10/01/2015	1/01/2015	12/31/2015	Ongoing
Electrical	1/01/2015	1/01/2015	12/31/2015	Ongoing
Telecom	1/01/2015	1/01/2015	12/31/2015	Ongoing
Sunset Hill Infrastructure				
Roads	10/01/2015	1/01/2015	12/31/2015	Ongoing
Water	9/01/2015	1/01/2015	12/31/2015	Ongoing
Electrical	9/01/2015	1/01/2015	12/31/2015	Ongoing
Telecom	9/01/2015	1/01/2015	12/31/2015	Ongoing
Ocean View Estates Infrastructure- Road Grading	8/01/2015	1/01/2015	12/31/2015	2/28/2015
Cantina Villas Infrastructure- Mass Grading	9/01/2015	12/01/2015	12/31/2015	



DRAW REVIEW

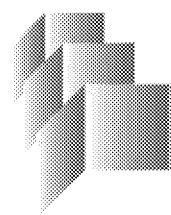
The draws for November, 2015 were prepared in a draft form at the time of our site visit. We reviewed the draft version of these draws and the invoices for these draws during our site visit and meetings. Once these draws have been finalized, we will review and provide the results of our review in a separate report.

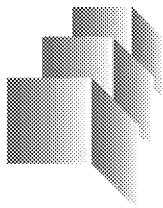
The invoices for expenses as reviewed appeared to adequately represent the construction observed during our site review.

DISCUSSIONS/SUMMARY/CONCLUSIONS

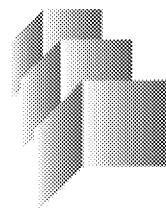
The Development continued at a steady pace during November similar to the previous month with progress being made on many project and several of the projects being very near to completion. One home (Bungalow 8) was completed in November, and 5-additon homes (GV 4, GV 27, Casitas 20, Casitas 21, and Bungalow 7) could be completed near the end of the year or early 2016 and only waiting on furniture for the owners or guests to utilize the homes. A significant milestone occurred with the demolition of the Cantina Building which was needed to start the Cantina Villas site development project.

The earthmoving activities on the Dunes Short Course have made great progress, with mass grading complete and the final shaping underway to construct greens and T-boxes. Within the next month, this work should be completed and installation of irrigation systems should begin. The earth moving operations will then shift to the new Dunes Course Hole 10. The completion of the Short Course is expected to help boost sales of Dunes Course lots, located along the perimeter of the Short Course.





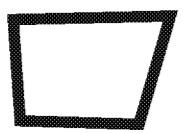
SITE PLANS



December 7, 2015



- Homes Under Construction



- Homes Completed



- Road Paved



- Road Graded to Base and Compacted



Home Under Construction



Home Complete

Road Graded and Compacted with
Liquid Asphalt Coating

Home Complete waiting on Furniture





 - Lot cleared of underbrush for sales effort

 - Homes Under Construction

 - Homes Complete waiting for Furniture

 - Road prepared with driving surface

 - Road compacted to subgrade

 - Road cleared to rough alignment

- Homes Under Construction
- Homes Complete
- Building Pad Construction
- Gabions Installed
- Road Graded to Sub-base

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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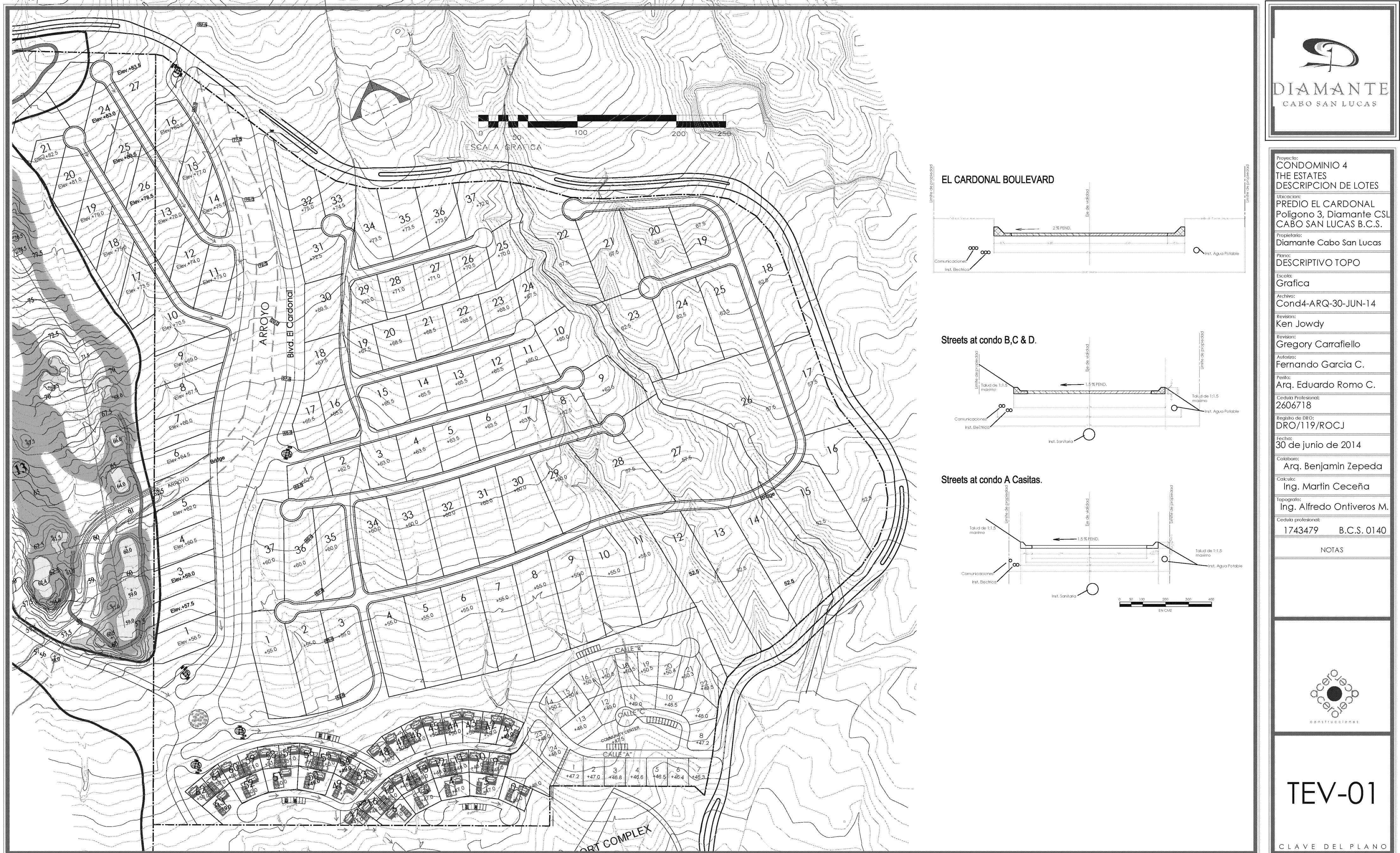
AREA DE USO COMUN 2

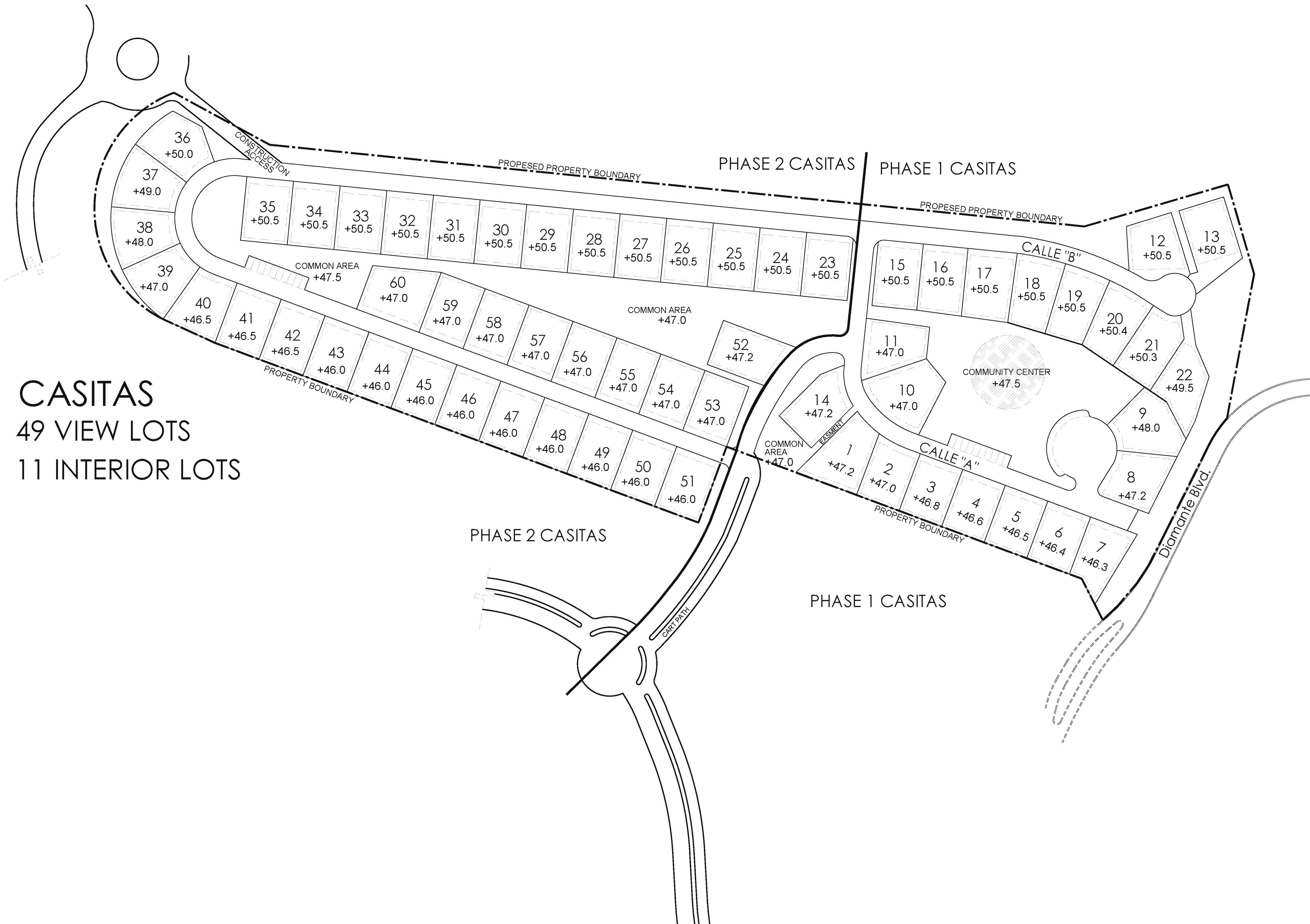
AREA DE USO COMUN 3

Restriccion de colindancia con

area de uso comun 1

Restriccion de colindancia con





DIAMANTE
CABO SAN LUCAS

Proyecto: Casitas Face 1 Ocean View Estates .

Ubicación: PREDIO EL CARDONAL Diamante CABO SAN LUCAS B.C.S.

Propietario: Diamante Cabo San Lucas

Plano: Conjunto

Escala: s/e

Archivo: Casitas_fase1.dwg

Revisor: Carlos Leal

Revisor: Paul Cowley

Modificaciones: Paul Cowley

Cédula Profesional:

Perito:

Registro de DRO:

Fecha:

Colaboro:

Calculo:

Ced. Profesional

Dibujo: Alejandro Ochoa

Anotaciones: Todas las cotas en metros

NOTAS



Cantina Site Plan 4/01/2015



Proyecto: Lotificacion en regimen de condominio Fraccion E

Ubicacion: Poligono 1, Fraccion E. Diamante CABO SAN LUCAS B.C.S.

Propietario: Diamante Cabo San Lucas

Plano: Lotificacion

Escala: GRAFICA

Archivo: LasResidencias

Revisor:

Revisor:

Perito:

Cedula Profesional:

Registro de DRO:

Fecha: 7 de DICIEMBRE de 2015

Colaboro:

Calculo:

Dibujo:

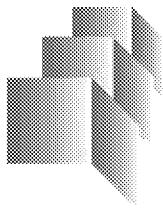
Anotaciones: Todas las cotas en metros

NOTAS

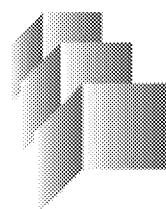
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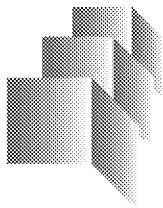
LAS RESIDENCIAS
CANTINA VILLAS CONJUNTO

CLAVE DEL PLANO

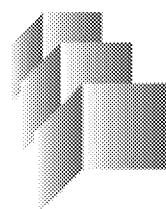


ENCLOSURES





PHOTOGRAPHS





Photograph 1: DRC Main Entry: Christmas decorations have been placed to celebrate the upcoming holiday season.



Photograph 2: DRC Service Entrance: The metal support structure is complete and sheet metal ducts are being constructed for the new kitchen exhaust system.



Photograph 3: The extension of Diamante Blvd from the entry of Sunset Hill to the base of the dunes has been staked and will soon be cleared and grubbed to start the construction road access for the KTRC construction.



Photograph 4: A new construction trailer was moved into position at the service gate and employee parking area for a Human Resources office.



Photograph 5: Dune Course Golf Hole 10: The new T-boxes which were put into service last month are growing in nicely, and the dunes area has been planted with native vegetation.



Photograph 6: Dunes Course Golf Hole No. 10: The new green has grown in nicely and has been in service 1-month.



Photograph 7: Dunes Short Course: The mass grading around the irrigation lake is complete and has reshaped the previous Dunes Course Holes 12 and 13 into the rough shape of the new short course. All old vegetation has been removed.



Photograph 8: Dunes Short Course: Fine shaping operations are now underway.



Photograph 9: Dunes Short Course: Approximately 1/3 of the green structures for the new course have been fine shaped. These will be built similarly to the El Cardonal Course with gravel base for a drainage layer.



Photograph 10: Dunes Short Course: The backbone irrigation lines were left in place and the existing valves will be utilized to place the new irrigation system.



Photograph 11: Cantina Villas Site: Clearing and grubbing of the vegetation around the previous Cantina and Sales Palapa are complete.



Photograph 12: Sales Palapa: Demolition is underway. Windows and all exterior walls have been removed.



Photograph 13: Old Cantina Site: View of foundation wall which is the only portion of the old Cantina building remaining.



Photograph 14: Old Cantina Site: The Cantina building was demolished, and all material which could be salvaged was salvaged. The reinforcing steel which was previously part of the concrete construction is piled up on the left for recycling.



Photograph 15: Old Cantina burial site: Large sections of concrete which were taken out of the Cantina and Palapa buildings are being buried in a pit constructed for this, adjacent to the future Dunes Hole 10.



Photograph 16: Cantina Villas site: Location and grade posts have been placed to mark building lot corners and elevations.



Photograph 17: Golf Villa 3: Photo showing main entry where building structure construction is underway.



Photograph 18: GV 3: Shoring and scaffolding is being placed for roof construction over the main living area.



Photograph 19: GV 3: The CMU wall construction is nearly complete and the roof construction is roughly 50% complete.



Photograph 20: GV 4: View of the main entry and the completed exterior finishes.